



State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL

M. J. "MIKE" FOSTER, JR.
GOVERNOR

November 27, 2001

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2002-30

TO: All ISIS HR Paid Agencies

FROM: Jena W. Cary
Director

SUBJECT: IRS Forms 1099-MISC and 1099-INT for Calendar Year 2001

OSUP will prepare IRS Forms 1099-MISC and 1099-INT for the tax year 2001 when required for payroll related activity. Form 1099-MISC is required for wages paid on behalf of a deceased employee, and Form 1099-INT is required for interest paid to an employee pursuant to backpay awarded under a statute. In order for OSUP to prepare these forms accurately, each agency is responsible for submitting documentation to OSUP as situations requiring special payroll reporting arise. Agencies must contact OSUP **before payment is issued** for any situation resulting in a Form 1099-MISC or Form 1099-INT. **Please contact a member of the OSUP Wage and Tax Administration Unit immediately if you know of any of the following types of payments previously made to employees, if you have not already done so, in order for OSUP to complete end-of-year processing timely.**

Situations requiring Forms 1099-MISC or 1099-INT:

- Wage payments made on behalf of deceased employees
Wages paid on behalf of a deceased employee follow special tax treatment and employer reporting requirements. When wages are paid after the death of an employee, the payment is taxable income to the payee (which is generally the estate or beneficiary of the deceased employee). Taxes withheld from such wages vary depending on the nature and timing of the payments.
- Interest paid to an employee as a result of backpay under a statute
Backpay awarded under a statute is a payment by an employer pursuant to an award, determination, or agreement approved by a court or government agency responsible for enforcing a law that protects an employee's right to employment or wages. Civil Service Commission hearings resulting in backpay are included within this definition. Interest may be awarded as a result of the backpay and is exempt from payroll tax withholding. Refer to OSUP Memorandum #2002-04, Back Pay Awarded Under a Statute, for more information.

Note: Attorney fees paid pursuant to a backpay award will continue to be an agency responsibility. These payments are reported on Form 1099-MISC through AFS under the agency EIN formally used for payroll reporting. If you have any questions about paying or reporting attorney fees pursuant to a backpay award, contact Ruth Johnson at the Office of Statewide Reporting and Accounting Policy at (225) 342-1095.

If you have any other questions about the information in this memorandum, contact a member of the OSUP Wage and Tax Administration Unit:

Cindy McClure 342-1652
Rhonda Desselle 342-8928

Rachel Bryant 342-1651
Lawanna Green 342-0714

JWC:RB:kmb